

Office of Governor Mitch Daniels

Mar. 10 - 16, 2008 Volume 2, Issue 73



Weekly wrap-up

Governor announces a new era of taxpayer protection

Mar. 16, 2008- On March 14, the Indiana General Assembly overwhelmingly passed HB 1001, a bipartisan plan to provide property tax relief and permanent protection against future property tax increases. The plan is an historic win for Hoosier taxpayers. Property taxes will be cut significantly, and caps on future growth provide permanent protection for homeowners and business. When caps are fully in place, the plan delivers \$1.72 in tax cuts for each \$1 of revenue raised by a one penny sales tax increase.

As Governor Daniels noted, HEA 1001 ushers in a "new era of taxpayer protection" in Indiana. "No longer will taxpayers be asked to adjust their tax bills to government's appetite. Instead, government will now need to adjust its spending to what taxpayers can reasonably afford."

Thanks to HEA 1001, Hoosiers will have some of the lowest property taxes in the country – in the bottom 10 states – and among the very strongest protections against future tax increases. "This is a huge step toward making Indiana the best place in America to own a home or business," said Daniels.

[Listen](#) as Governor Daniels announces a "new era of taxpayer protection" in Indiana

Key elements of HEA 1001 continued on page 3...

Medco breaks ground on world's largest pharmacy

Mar. 11, 2008- Medco Health Solutions, Inc. (NYSE:MHS), joined by Indiana Gov. Mitch Daniels, broke ground on its \$140 million automated pharmacy at AllPoints at Anson, and also announced plans to establish a world-class research center for personalized medicine within the pharmacy. The center will feature active collaborations between Medco, universities and the area's colleges of pharmacy to investigate how to deliver more precise pharmacy care through innovations in personalized medicine.



Mar. 11, 2008- Governor Daniels joined officials from Medco Health Solutions to break ground on a \$140 million dollar automated pharmacy in Whitestown.

Medco President and Chief Operating Officer Kenneth O. Klepper announced the research center at the groundbreaking for the automated pharmacy, which will cover an area equivalent to six-and-a-half football fields. The mail-order pharmacy is expected to start operating early in 2009 and will be able to dispense one million prescriptions a week when it reaches peak capacity in 2012. Using the most advanced technologies, the automated pharmacy will exceed Six-Sigma® accuracy levels, delivering the highest level of prescription drug dispensing accuracy in the pharmacy industry.

[Read the release](#)

To view past updates, click [here](#).

To visit Governor Daniels' Web site, click [here](#).

Quotable...

"The property tax plan the Governor is signing is a good deal for agriculture. On average, more than 90 percent of Hoosier farmers will see lower total property taxes after this plan is implemented than with the current system. And, future tax bills will be more predictable."

Andy Miller, Indiana Agricultural Director

A look ahead...

Governor Daniels will travel to Jeffersonville, Seymour and Evansville this week.

Did you know...

...there is an easy way to keep track of bills sent to the governor by the General Assembly? Visit Governor Daniels' 2008 [Bill Watch](#).

[Visit](#) Governor Daniels' photo gallery

Hoosiers in the State House

Mar. 10, 2008- Governor Daniels welcomed Nick Cauley of Indianapolis to the Governor's Office. Cauley, a member of the Marine Corps, will be deployed to Afghanistan later this month.



Mar. 11, 2008- Governor Daniels spoke with Hoosiers at a property tax rally held inside the State House. Pictured with the governor: Katey (left) and Cynthia Varga (center) of Mooresville.

ECONOMIC NEWS:**High-tech motor maker adds jobs**

Mar. 13, 2008- Kinetic Art and Technology, a Greenville-based designer of precision modular motors for a myriad of high-tech applications, is commercializing its technology with the help of an Indiana 21st Century Research and Technology grant.

The state awarded the developer and designer of compact electro-mechanical systems a \$1.9 million grant in 2007 to further develop and market its advanced Specialty Equipment Market Association motor technology for use in aerospace, automotive and industrial markets.

Since the state's award, the company has increased employment by more than a third and secured more than \$1 million in additional capital.

"The 21st Century Fund is a powerful tool aimed at growing new and innovative companies like Kinetic Art and Technology that are working to bring cutting edge technologies to the marketplace," said Governor Mitch Daniels.

Founded in 1990, Kinetic Art and Technology has developed motor systems in partnership with nearby Honeywell in South Bend that have found application in the U.S. Department of Energy, Department of Defense, NASA, and manufacturers within aerospace, automotive and industrial markets.

"The 21 Fund is allowing the KAT and Honeywell teams to work faster. At an engineering level, we work like one team," said Roy Kessinger, founder and president of Kinetic Art and Technology. "It's a great combination. Our small business does the thing that we do better than anybody, while our big-business partner does what we could not do by ourselves. It's a win for us, Honeywell and for Indiana."

The Honeywell-KAT partnership has resulted in several joint patent disclosures with more anticipated in the near future, Kessinger said.

[Read the release](#)

Did you know...

...Governor Daniels' website has an interactive map of *your* county? [Click here](#) to see what's happening in your community.

HEA 1001*Continued from page 1...*

The plan adopted by the General Assembly meets all four of the key elements laid out by Governor Daniels as essential to providing meaningful and lasting property tax reform in Indiana.

1. Immediate Relief

- a. Homeowners will see an average tax cut of more than 30 percent in 2008 vs. 2007 bills
- b. 2008 homeowner relief increased by \$620 million - the total expected collection from the sales tax increase - bringing the 2008 total homeowner relief to \$870 million

Permanent Protection

- a. The plan caps homeowner property taxes at 1 percent of a home's assessed value starting in 2010. (In 2009, the cap will be 1.5 percent)
- b. The plan caps property taxes for apartments and agricultural land at 2 percent of assessed value in 2010 (In 2009, the caps will be 2.5 percent)
- c. The plan caps business property taxes at 3 percent of assessed value in 2010 (In 2009, the cap will be 3.5 percent)
- d. When caps are fully in place, the plan delivers \$1.72 in tax cuts for each \$1 of new sales tax.
- e. This plan takes the first step toward placing the caps in the Indiana Constitution. Taxpayers will get a chance to approve the caps in the November, 2010 general election only if lawmakers approve them again next year.
- f. State takes over about \$3 billion of costs that were previously on local property tax rolls:
 - i. The remaining 15 percent of school operating costs
 - ii. Child welfare levies
 - iii. Costs of juvenile incarceration in state facilities
 - iv. State fair and forestry levies
 - v. Health care for the indigent
 - vi. Pre-school special education levies
 - vii. Costs of police and fire pensions
- g. The state will pay for these costs with revenue raised by increasing the sales tax from 6 percent to 7 percent, existing gaming revenue, and redirecting state sales tax currently used to subsidize local spending.

3. Limits on local government spending

- a. Referenda required for new school and local government capital projects.
 - i. For elementary and middle school projects over \$10 million
 - ii. For high school projects over \$20 million
 - iii. For local government projects over \$12 million or 1 percent of assessed value
- b. Eliminates loopholes on levy appeals that previously enabled local governments to spend more than budgeted
- c. County Council oversight of non-elected board budgets

4. Improved accuracy and fairness in assessment of property value

- a. Reduces the total number of assessors from 1,100 to 92 county assessors and 42 township assessors, an 88 percent reduction.
- b. Requires referendums this November in townships with more than 15,000 parcels to determine if township assessor duties should be transferred to the county
- c. Increased requirements for assessor certification that will mean more equity, uniformity and fairness.
- d. A process in place to remove an assessor who does not meet performance expectations.
- e. Stronger state oversight with the Department of Local Government Finance required to be party to any vendor contract

5. Other Elements of HEA 1001

- a. Provides transition period to ease the impact of the property tax caps on local government
- b. Provides special accommodations for Lake and St. Joseph counties, due to their high property tax rates and heavy reliance on property taxes to fund local government services
- c. Provides \$120 million for schools in 2009 and 2010 to reduce the impact of the tax caps
- d. Increases school "rainy day" fund to ensure adequate funding is available in the event of an economic downturn
- e. Limits property tax bill increases to no more than 2 percent annually for seniors who make less than \$30,000 annually (single) or less than \$40,000 (joint), if the assessed value of their homes is \$160,000 or less.
- f. Increases renters deduction from \$2,500 to \$3,000.
- g. Increases earned income tax credit for lower-income Hoosiers from 6 percent to 9 percent.